

RESOLUTION 2025-07

Resolution of Intention the Town of Sheridan, Montana to Increase Rates for the Users of the Municipal Sewer System

WHEREAS, under Section 69-7-101, Montana Code Annotated, the Town of Sheridan (the "Town") has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other people served by the Town's sewer system (the "System"). Rates, charges, and classification must be reasonable and just; and

WHEREAS, it is necessary for the Town to collect sufficient revenues to repay the Bond, to pay the costs associated with the operation and maintenance of the System, and to build necessary reserves; and

WHEREAS, pursuant to Section 69-7-111, Montana Code Annotated, the Council shall order a public hearing prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for services or facilities.

NOW, THEREFORE, BE IT RESOLVED by the Town Council (the "Council") of the Town as follows:

SECTION 1: Intent to Increase the Sewer System Rates. It is the intent of the Town Council to increase its rates for the users of the System effective for the billing period beginning July 20, 2025.

SECTION 2: Current Flat Rate Charge. The Town currently charges users of the System a flat rate of \$43.00 per month per equivalent dwelling unit (EDU) (the "Sewer Rate Charge"). The EDUs are current determined based on the water service line size. The current user base classification is as follows:

SERVICE LINE	COST PER EDU	EDU's	BASE RATE CHARGE
¾ inch	\$43.00	1.00	\$ 43.00
1 inch	\$43.00	1.79	\$ 76.97
1 ¼ inch	\$43.00	2.78	\$ 119.54
1 ½ inch	\$43.00	4.00	\$ 172.00
2 inches	\$43.00	7.14	\$ 307.02
3 inches	\$43.00	16.00	\$ 688.00
4 inches	\$43.00	28.57	\$1,228.51

SECTION 3: Proposed Rate Increase. Effective July 01, 2025, the Town proposes to charge all users connected to the system a base rate of \$52.00 per month per EDU, regardless of sewer usage (the "Base Rate Charge")

SERVICE LINE	COST PER EDU	EDU's	BASE RATE CHARGE
¾ Inch	\$52.00	1.00	\$ 52.00
1 inch	\$52.00	1.79	\$ 93.08
1 ¼ inches	\$52.00	2.78	\$ 144.56
1 ½ inches	\$52.00	4.00	\$ 208.00
2 inches	\$52.00	7.14	\$ 371.28
3 inches	\$52.00	16.00	\$ 832.00
4 inches	\$52.00	28.57	\$1,485.64

This represents approximately a 20% increase over the current Sewer Rate Charges. Sewer rates have

not been increased for eleven years. This is an average of \$.82 per year.

Proposed Monthly Usage Rate: In addition to the base rate charge, the Town proposes to increase the monthly sewer usage charge of \$2.00 per 1,000 gallons to \$2.50 per 1,000 gallons. No other changes are being made.

Proposed Monthly Charge: The proposed monthly sewer charge for each connection consists of the proposed monthly base rate charge plus the proposed monthly usage rate for each connection.

Proposed Monthly Late Fee: The monthly late fee will change from \$5.00 per account to \$10.00 per account. (\$5.00 for sewer and \$5.00 for water)

SECTION 5: Determination of Annual Budget for the System. At least once each year the Council of the Town shall determine the amount of money needed to pay the costs of the System including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the System; (b) administration of the System; (c) the payment of principal and interest on any bonded or other indebtedness of the System; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the System. Based on the annual needs of the System, the Council will establish monthly charges for the use of the System.

SECTION 6: Further Rate Increases. The Town proposes a 3% base rate increase effective July 1, 2026, and the following four consecutive years (2027, 2028, 2029, 2030) evaluating rates for adequacy at that time. Subsequent adjustment to the rates and charges for the use of the System will be made by a resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Sewer Base Rate Charge

Service Line	EDU's	Current Rates	July 2026 to June 2027	July 2027 to June 2028	July 2028 to June 2029	July 2029 to June 2030
¾ Inch	1.00	\$52.00	\$53.56	\$55.17	\$56.83	\$58.53
1 Inch	1.79	\$93.08	\$95.87	\$98.75	\$101.71	\$104.76
1 ¼ inch	2.78	\$144.56	148.90	\$153.37	\$157.97	\$162.71
1 ½ inch	4.00	\$208.00	\$214.24	\$220.66	\$227.28	\$234.10
2 inches	7.14	\$371.28	\$382.42	\$393.89	\$405.71	\$417.88
3 inches	16.00	\$832.00	\$856.96	\$882.67	\$909.15	\$936.42
4 inches	28.57	\$1,485.64	\$1,530.21	\$1,576.12	\$1,623.40	\$1,672.10

SECTION 7: Public Hearing. A public hearing on the rate increases for the System will be held on June 19, 2025, commencing at 6:00 p.m. in the meeting room at the Senior Citizen Center, 210 Crofoot St., in Sheridan, Montana.

SECTION 8: Notice. The Town Clerk-Treasurer is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in *The Madisonian*, a newspaper of general circulation in the Town, on May 29, 2025, June 5, 2025, and June 12, 2025, by law, and to mail or cause to be mailed a copy of said notice to all persons who own property in the Town and to all customers of the Town at least 7 days and not more than 30 days prior to the public hearing. The mailed notice must contain an estimate of the amount that the property owner or customer will be charged under the

proposed ordinance or resolution. The Town Clerk is also authorized and directed to mail by first class, postage prepaid, notice of all hearings to the Montana Consumer Counsel.

Passed and approved this 12th day of May, 2025.

Robert Stump, Mayor

Attest:

Kristi Millhouse, Town Clerk/Treasurer

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